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To: _Regulatory Comments
Subject: John Bottisti - Comments on Advanced Notice of Proposed Rulemaking for Part 704

Hello:

As a small credit union our needs are quite simple. We absolutely need payment, settlement and liquidity (Line of Credit) services from our corporate. I think additional services can be obtained from CUSOs as needed. CUSOs may be able to be capitalized by natural person credit unions as well as corporates. When any business wanders too far from what it does best there can be unforeseen consequences. With corporates competing against each other for members there appears to have been a need to continually up the ante in benefits to members. This forced corporates to look for income in areas that provided higher returns but carried increased risk. When the financial system ran into trouble the low capitalized corporates clearly were left with liquidity issues.

A summary of what I would like our corporates to become:

Reduce the number of corporates to less than 8.

Reduce competition among corporates by providing services offered by each corporate for a fee. Centralize services where possible.

Require a higher level of capitalization for corporates.

Protect the payment, settlement and liquidity services offered by corporates. This should be an unwavering mission for corporates.

Clearly the corporates are experiencing unprecedented difficulties but to eliminate corporates completely will hurt a great number of smaller credit unions. The services necessary to run a small credit union need to be accessible at a reasonable cost. The best way to do this is to maintain a healthy corporate system.

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